



**Cap giveaways**

Entitlements without considering future costs not advisable

**T**he ongoing election campaign has featured a noticeable amount of competitive populism. The Bharatiya Janata Party has promised income transfers to small and marginal farmers. The opposition Congress party, meanwhile, has promised a minimum income guarantee, which would transfer cash to all those below an unspecified poverty line. The past year has seen various state governments promise loan waivers and deliver them to a lesser or greater degree. But that is no longer the primary issue. The issue now is one of spreading entitlements, particularly to programmes that are open-ended in scope. The question that needs to be asked is whether a moratorium on such promises is needed, or if an all-party agreement can be agreed upon to cap giveaways, perhaps as a proportion of gross domestic product (GDP). Otherwise, India is in danger of being forced by competitive populism on to a downward spiral of expenditure and debt.

This is not to say that there are no good reasons to examine income transfers as a form of welfare spending. Income support for farmers, for example, would not distort incentives the way current agricultural subsidies do. It would also be compliant with the rules of the World Trade Organisation. But if income support for farmers is used at the same time as fertiliser subsidies, procurement prices and so on, then the burden will become problematic going forward. There is also a categorical difference between such entitlements and one-time policies such as loan waivers. While the latter may have moral hazard problems, cash entitlements can balloon over time. They should be more carefully factored in. Consider the cost of the one rank one pension (OROP) promise to retired servicemen. It is far from clear what the net present value of that promise actually was — but there is no question that it represents a significant proportion of GDP. India must be wary of building up more and more such entitlements without a clear notion of what they will cost in the decades to come.

The universal health insurance plan of the government is revealing. It promises, in effect, a transfer to health care recipients. But there is no clear idea of how costs could balloon over time. Even more crucially, it means that scarce resources could be diverted from the government's core responsibility to build more public hospitals, staff primary health care centres, and so on. Transfer entitlements cannot be seen as substitutes for the hard work of governance, and the public provision of basic services such as health care and schooling. But the way politics works, increasing transfers will squeeze out government spending on essential services. Meanwhile, there will be no cost control in the private sector. This is a recipe for disaster. A cap on such transfers would force politicians to make the necessary trade-offs. Agricultural income support could then be sold as part of a deal that also reduces fertiliser subsidies — and it would have a natural ceiling. Such a cap would also be in the shared interest of all political parties, who would, as a result, not be forced into a costly arms race of promises.

**Off target**

Govt should share information on Balakot

**O**ne of the key reasons for India's diplomatic victory over Pakistan in the latest skirmish is that the country is a functioning and vibrant democracy, not a failed client state like its adversary. As with all democracies with elected governments, the government is liable to be questioned by its citizenry about acts of domestic and international significance that are conducted on behalf of the Indian people. The proclivity of the ruling dispensation to equate basic and obvious questions about the Indian Air Force's actions in Balakot as "anti-national" is wide of the mark. To suggest, further, that seeking information about what the IAF, crossing the international border for the first time since 1971, actually hit and the number of casualties implies criticism of the Indian military is even more off target. The military's capabilities are not, and never have been, in question. Indeed, such observations betray a fundamental misunderstanding of the relationship between the government and the armed forces. Unlike Pakistan, the military in India answers to the executive, not the other way around. It is a fundamental founding principle of the Indian state. So, the clarity that is being sought post-Balakot is an issue only the government — not the military — should answer.

This is all the more important as reporting by the international media suggests that the IAF mission either hit non-existent targets or missed them. They have also reported one minor casualty, not 300 dead terrorists, information "unofficially" circulated and which the media appeared to accept. But so far, the official communication strategy has comprised stolid statements from foreign ministry spokespeople (who took no questions from journalists) and a chaotic press conference by the armed forces that provided a partial picture. Instead of providing corroborating evidence — basic things such as before and after satellite imagery — the government has chosen to enmesh the issue in emotive election rhetoric. This is feeding into such dangerously febrile expressions of muscular nationalism that an academic was attacked for critiquing the air strike on social media.

On Monday, the government had Air Chief Marshal BS Dhanoa address a press conference, at which he stoically insisted the IAF hit the targets they were given — an elliptical reference to coordinates that are fed into missiles based on intelligence. On casualties, he flatly said only the government could answer. Yet, it was not a member of the government, nor of the Cabinet Committee on Security nor, indeed, of the security establishment who offered an answer but Bharatiya Janata Party President Amit Shah, who told a rally in Gujarat that "over 250" Jaish-e-Mohammed terrorists were killed in the Balakot strike. He did not quote any source for his information. Why a party functionary should make such claims when the government has not confirmed them is a mystery. Over the past week, the prime minister's triumphal statements on Balakot suggest that electoral considerations are overriding the need to give the Indian people an honest accounting of a major offensive operation that brought us to the brink of war. The best way for the government to blunt criticism and silence questioners is to provide facts.

ILLUSTRATION: AJAYA MOHANTY



**After Balakot, India strikes a new tone**

It has demonstrated its resolve to punish cross-border terror attacks and must now focus on the alienation in Kashmir

**T**he captured Indian Air Force (IAF) pilot is back home, cross-border firing on the Line of Control (LoC) is reducing and India's military has publicly "committed to maintaining peace and stability in the region". We can assume this crisis is winding down, although another attack like the one at Pulwama on February 14 could trigger fresh cross-border violence. It is, therefore, worth taking a step back to examine how, and where, the strategic terrain has shifted as a result of India's pre-emptive strikes. At the same time, we must take careful note of what remains unchanged.

First, a seismic shift has taken place through New Delhi's ostentatious abandonment of "strategic restraint". Since the Pulwama attack, Pakistani Prime Minister Imran Khan has been telegraphing to India a plea to hold back and resolve matters through dialogue. All through the crisis, Mr Khan urged restraint, even after shooting down an Indian MiG-21 and capturing an IAF wing commander. The very next day, Mr Khan offered to repatriate the pilot as a "gesture of peace". While that brought him praise for statesmanship and maturity, it was hard to miss the change: Suddenly, the rational actor was the Pakistani leader. India's leader was the unpredictable one. Pakistan's strategy, one that has been described as "cultivated irrationality", lies in tatters on the floor. India's "strategic restraint" has given way to "assured retaliation".

It is hard to overstate the magnitude and ramifications of this change. Since 1947, India has played the rational and responsible actor in every confrontation with Pakistan. It sent troops to Kashmir only after the Maharaja signed the Instrument of Accession in October 1947. The next year, India agreed, despite its military momentum, to wind down the Kashmir war by referring the dispute to the United Nations. In early 1965, so restrained was New Delhi during the skirmish with Pakistan in Kutch that President Ayub Khan concluded India

would not have the stomach to confront a tribal invasion, or a Pakistani ground force intervention in Kashmir later that year. The rational player theme was again evident in 1999, when India pushed out Pakistani infiltrators from Kargil while consciously restraining its aircraft and ground forces from crossing the LoC. Through years of cross-border terrorism and militancy — in Nagaland, Mizoram, Punjab, Kashmir, the Mumbai bomb blasts of 1993 and the 26/11 strike in 2008 — India demonstrated restraint.

In 2001-02, when the terrorist attack on Parliament provoked New Delhi into mobilising its military, the rationality of Indian decision-makers brought the army back to its barracks without drawing blood. Soon after, India developed the "Cold Start" doctrine that envisions Indian battle groups pouring into Pakistan as soon as a provocation occurs. However, Pakistani forward deployment and its deployment of tactical nuclear weapons (TNWs) have held back rational Indian decision-makers from entering into this escalatory spiral.

All along, Rawalpindi (Pakistan Army's headquarters) has duped a rational New Delhi into believing that Pakistan would respond irrationally to any Indian punishment. Pakistan assiduously created the impression it would counter Indian strikes with its own army, while stepping up the ante with "sub-conventional assets" — a euphemism for radical Islamist groups like Jaish-e-Mohammed (JeM) and Lashkar-e-Taiba (LeT). Pakistan has repeatedly signalled that if this were insufficient to hold India, Pakistan would breach the nuclear threshold, starting with using its TNWs. To be sure, India's nuclear doctrine mandated massive retaliation — an all-out nuclear attack, targeting major Pakistan cities — but nobody in Pakistan believed that rational and responsible New Delhi would retaliate massively, given that Pakistan's surviving nuclear weapons would immediately riposte, taking both sides towards mutual assured destruction, with its fitting acronym — MAD.



**BROADSWORD**

AJAI SHUKLA

**A tale of two disenchantments**

**T**wenty five years ago, I argued in my doctoral thesis that fiscal policy could be used to map changes in state objectives. In essence that is what I am doing in this column. I contend that the Indian State, at both the central and state levels, is transitioning from being a development State to a compensatory State. Both at the political and the executive level, the clamour is to find the means, technologies and modalities to put money directly into the pockets of citizens to compensate them for the fact that economic growth has not done so, and that the State has also failed in its mission to deliver public and merit goods to those who cannot afford to procure these from the market.

The overarching objectives of Indian economic policy since Independence can broadly be seen as: Self-reliance and economic modernisation (1950-1971); poverty reduction (1970-1991); stable economic growth and balance of payments security (1991-2003); and then growth with delivery of public goods like health and education. These changes in objectives, while significant, could broadly be seen as changes in emphasis and focus of what has, until now, been a development State.

Over the past two years, there has been a discernible shift in the declared objectives of fiscal policy that is bipartisan in nature, reflected in the changing public expenditure composition of many states and now in the flagship economic offerings of both national parties. The value proposition is to use public resources to put cash directly into individual bank accounts through tax reductions and cash transfers.

In my view, this shift has arisen because of two important disenchantments with previous objectives. First, corruption, poor targeting and the low productivity of public expenditures that deliver merit goods. Attempts to use technology to fix this have met with limited success. Public finance is now to be used to

compensate for this failure, not to address it.

Second, growth in India has been unequalising because the top 10 per cent have benefitted disproportionately more from it than the bottom 90. In addition, growth has been unequalising across regions and ethnicities. In these circumstances, arguments for direct transfers are in vogue to compensate for this failure, not to address it.

The elision of these two disenchantments has given rise to a variety of schemes that involve some targeting (farmer, rural population, very poor), but their common objective is to transfer money from the public exchequer to the intended beneficiary.

The focus of fiscal policy in contemporary India has thus shifted due to these two disenchantments. The productivity of public spending is low and exacerbated by corruption and poor targeting; attempts to use technology to address these problems have been largely unsuccessful. In parallel, the growth process has been highly unequalising, not just in terms of who benefits from growth, but also in terms of who participates in it. Hence, general government (Central and state governments) is progressively recusing from its commitments to deliver inclusive growth through productive inclusion, and to use public resources at scale to provide merit and public goods and services. Instead of financing development objectives, fiscal policy is now increasingly used to compensate those who were promised development.

There is an important fiscal corollary, independent of one's political or ideological view on the desirability or inevitability of this transition from a development to a compensatory State: Fiscal policy creates a commitment legacy. In India, the historic objectives of public finance have created legacy expenditures and public assets; we have public sector institutions (and development "schemes") that

All this is now in the past, with India having demonstrated resolve, unpredictability and indeed a political appetite for punishing cross-border terror attacks. India is now willing to deploy more than the longstanding options of "fire assaults" and "surgical strikes", which allowed Pakistan to impose counter costs in the same coin. Instead, New Delhi could escalate to options where India is significantly stronger, such as air power and — who knows — perhaps naval power next. For Pakistan, the comfortable old calculations and certainties are no longer valid. Strikes on Indian targets now carry a high risk of retaliation and escalation.

Second, India must ensure that its intent is supported by its ability. Regrettably, it remains disputed whether the IAF actually struck and destroyed the madrasa it targeted at Balakot. On Sunday, the Air chief protested that the IAF "can't count how many people died", but nobody wants a precise body count (DELETE). What India and the global community need to be conclusively demonstrated — employing standard "post strike assessment" done with aircraft cameras, satellite photos, unmanned aerial vehicles or ground agents — is that India is not just willing, but also able, to strike its targets. This is equally true for the IAF's claim to have shot down a Pakistani F-16, which also remains contested. In these days of aircraft cameras and airborne command platforms that track every second of an engagement, it is appalling that the IAF is unable to muster convincing proof of a MiG-21 shooting down an F-16 — which would be a David-versus-Goliath triumph.

If India intends to continue along the path of retaliatory strikes, this needs to feature higher in our tri-service doctrine, service strategies and equipping priorities. Instead, these documents remain preoccupied with "preparing for a two-front war", that most unlikely of contingencies. Prioritising cross-border punitive strikes would create a robust capability for dealing in a measured fashion with major provocations, without risking a spiral into full-scale war.

Third, and perhaps most crucial, New Delhi must remember that the roots of the current crisis, like others before it, lie in the estranged landscape of Kashmir. The hopelessness that drove a Kashmiri youth to offer himself as a Jaish suicide bomber is widespread, and could lead others down that path too. While the origins of the Kashmir dispute go back to 1947, the last five years have seen an unprecedented spike in Kashmiri alienation. For Kashmiris, the killing of Muslims by *gau rakshaks* (cow protectors), initiatives like *ghar wapas* (re-conversion to Hinduism), regulations preventing Muslims from praying in public spaces, and the "love jihad" bogey validate the two-nation theory, based on the idea that Muslims could never be safe in Hindu India.

Instead of the healing touch that is required, the government continues treating Kashmir as a security issue that is best crushed under the jackboot. Despite this, violence levels have increased over the last five years, more youth are picking up the gun and, most worryingly, unarmed civilians are willing to be shot down while confronting security forces. Yet not a single senior Bharatiya Janata Party leader has engaged in dialogue with Kashmiri separatist leaders. As long as Kashmir simmers in anger, the potential remains for another attack that could kill dozens of security men and spark another crisis with Pakistan. Only dialogue can douse the anger.



**RATHIN ROY**

**Out of the caste mould**



**BOOK REVIEW**

GEETANJALI KRISHNA

It is not often that a memoir is able to transcend its writer's own lived experience to become a powerful social commentary. Journalist Yashica Dutt's *Coming Out as Dalit* is one such work. It takes off from a unique springboard — growing up, Ms Dutt's mother ensured that their caste identity remained a secret. So she buried her identity as a Dalit deep within, but years later, realised that she could no longer ignore this intrinsic aspect of her identity. So she decided to "come out of the closet",

so to speak. Her skillful juxtaposition of her experience with a nuanced retelling of Dalit history weaves a not very pretty picture of the society in which she grew up.

Ms Dutt writes that caste is "the invisible arm that turns the gears in nearly every system in our country". Indeed, that's how it seemed to a brilliant young girl who spent her impoverished childhood grappling with secrets. When she went to boarding school, her mother packed all sorts of home remedies to ensure her skin did not darken (fair skin equalled upper caste, she was told). She also instructed her daughter to say she was a Brahmin if asked about her caste. A picture emerges of an intelligent child who constantly thinks of ways to portray herself as rich and, of course, upper caste. And so, through those early years, Ms Dutt's Dalit identity lay, as she eloquently writes, "deeply buried beneath layers of convent education, urban upbringing and a hardened resolve

to avoid engaging with anything related to caste." This, the author writes, was less a quest for upward mobility, than it was a stratagem to avoid victimisation by peers for an identity into which she has simply had the misfortune of being born.

The personal narrative is interspersed with acute observations on Dalit history, Ambedkar, the Indian tendency to look down on manual labour, the preference for fair skin and more. The author's experience in Delhi University shaped her views on reservation, and she argues her case compellingly. Seen through Dalit eyes, Delhi University, like several universities across the country, is steeped in caste discrimination where lower caste "quota" students and faculty alike have to jump through hoops. Before ragging of freshers was banned in Indian universities, traditional hazing rituals of Dalit freshers often involved casteist slurs based on toxic beliefs

about reservations being anti-merit. Even today, most Indian institutions, she writes, instead of being centres for learning new ideas and questioning the status quo, are arenas of discrimination, exclusion and institutional harassment. She points out that even with reservations, Dalits are discriminated against regardless of their economic background.

Fear of discrimination compelled Ms Dutt to hide her caste identity from the world for over two decades. But she could not erase the shame, fear and ignominy of it from herself. For inside, she knew exactly who she was: The granddaughter of a man who taught himself to write in the mud with a stick because he was not allowed to hold a pen. The member of a community that has, for generations, carried what is euphemistically known as "night soil" in baskets on their heads. And an individual who chafed when peers dismissed the government's reservation policies for being unfair to "meritorious" upper caste individuals. However hard she tried, caste was never far from her mind. A brilliant student, Ms Dutt studied

in premier institutions in India and abroad — Ajmer's Sophia School, St Stephens College Delhi and Columbia University in New York for a degree in journalism.

Life in New York, where people knew little about the caste system in India, should have finally enabled her to forget. Instead, the news of the suicide of a Dalit student in faraway Hyderabad shook her to the core. Ms Dutt realised that Rohith Vemula, whose suicide had suddenly brought caste back into the national discourse, had sent her a friend request on Facebook weeks before he died. She had ignored his request, but something about his death and his powerful suicide note affected her profoundly. Not only did it compel Ms Dutt to "come out" as a Dalit on social media, it also made her set up a group on Tumblr for Dalits to share their experiences.

Lucidly written and intelligently argued, the memoir locates Ms Dutt in the larger socio-political context that she has so proudly embraced. In parts, her arguments may come off as extreme, shrill even, but it is worthwhile to remember she is arguing with

people who fail to see the irony in demanding compensation for two centuries of colonial rule — but do not think they need to make reparation for thousands of years of discrimination against their own citizens. Although caste may not be a significant constraint for people who take their privilege for granted, the memoir reveals how it corrodes the Dalit psyche constantly. In this sense, *Coming Out as Dalit* is a book everyone should read, especially upper castes who believe caste is dead without sparing a thought for the people who clean their toilets, septic tanks and sewers. More crucially, the book is for every lower caste person who aspires to get ahead in life, for Yashica Dutt is a rare role model, not merely because she managed to escape the clutches of her Dalit birth mould — but because she found the courage to emerge from her self-created closet and find pride in her identity.

**COMING OUT AS DALIT**

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